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ATTORNEYS AT LAW

November 13, 2002

## **EX PARTE – Via Electronic Filing**

Ms. Marlene Dortch
Secretary
Federal Communications Commission
The Portals
445 12<sup>th</sup> Street, S.W.
Washington, DC 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Re: CC Docket No. 96-45

Dear Ms. Dortch:

On November 10, 2002, Jimmy Jackson (of GCI) and I (on behalf of GCI) spoke with Chairman Lila Jaber of the Florida Public Service Commission, and with Commissioner Tom Dunleavy of the New York Public Service Commission. I also spoke with Chairman Nanette Thompson of the Regulatory Commission of Alaska. All three commissioners are members of the Federal State Joint Board on Universal Service. During those meetings, we made the following points:

- In order to be competitively neutral and to allow competition to work, universal service must provide the same support to competing carriers.
- When both competitors receive the same support (regardless of whether that support is
  calculated based on ILEC costs, CLEC costs or some other measure), the same competitive
  balance is preserved and the same incentives for efficiency are preserved as when
  neither carrier receives a subsidy.
- The Commission and JointBoard cannot and should not subsidize services only for ILEC ETCs and not for competitive ETCs. In this regard, the NTCA proposal to subsidize ILEC second lines, but only to subsidize CLEC second lines when those lines are captured from an ILEC, is both unlawful and not competitively neutral.

In accordance with FCC rules, a copy of this letter is being filed electronically in the above-captioned docket.

Sincerely

øhn T. Nakahata

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